



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
HB0272

Introduced 1/18/2005, by Rep. Jim Watson

SYNOPSIS AS INTRODUCED:

35 ILCS 200/15-170
35 ILCS 200/15-175

Amends the Property Tax Code. Provides that the maximum reduction under the Senior Citizens Homestead Exemption and under the general homestead exemption shall be increased annually by an amount equal to the annual rate of increase of the Consumer Price Index for the previous calendar year. Effective immediately.

LRB094 05177 BDD 35219 b

FISCAL NOTE ACT
MAY APPLY

HOUSING
AFFORDABILITY
IMPACT NOTE ACT
MAY APPLY

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Property Tax Code is amended by changing
5 Sections 15-170 and 15-175 as follows:

6 (35 ILCS 200/15-170)

7 Sec. 15-170. Senior Citizens Homestead Exemption. An
8 annual homestead exemption limited, except as described here
9 with relation to cooperatives or life care facilities, to a
10 maximum reduction set forth below from the property's value, as
11 equalized or assessed by the Department, is granted for
12 property that is occupied as a residence by a person 65 years
13 of age or older who is liable for paying real estate taxes on
14 the property and is an owner of record of the property or has a
15 legal or equitable interest therein as evidenced by a written
16 instrument, except for a leasehold interest, other than a
17 leasehold interest of land on which a single family residence
18 is located, which is occupied as a residence by a person 65
19 years or older who has an ownership interest therein, legal,
20 equitable or as a lessee, and on which he or she is liable for
21 the payment of property taxes. Before taxable year 2004, the
22 maximum reduction shall be \$2,500 in counties with 3,000,000 or
23 more inhabitants and \$2,000 in all other counties. For taxable
24 year ~~years~~ 2004 ~~and thereafter~~, the maximum reduction shall be
25 \$3,000 in all counties. For taxable years 2005 and thereafter,
26 the maximum reduction, in all counties, shall be the amount of
27 the maximum reduction of the prior taxable year increased in an
28 amount equal to the annual rate of increase of the Consumer
29 Price Index for All Urban Consumers for all items, published by
30 the United States Bureau of Labor Statistics for the previous
31 calendar year. For land improved with an apartment building
32 owned and operated as a cooperative, the maximum reduction from

1 the value of the property, as equalized by the Department,
2 shall be multiplied by the number of apartments or units
3 occupied by a person 65 years of age or older who is liable, by
4 contract with the owner or owners of record, for paying
5 property taxes on the property and is an owner of record of a
6 legal or equitable interest in the cooperative apartment
7 building, other than a leasehold interest. For land improved
8 with a life care facility, the maximum reduction from the value
9 of the property, as equalized by the Department, shall be
10 multiplied by the number of apartments or units occupied by
11 persons 65 years of age or older, irrespective of any legal,
12 equitable, or leasehold interest in the facility, who are
13 liable, under a contract with the owner or owners of record of
14 the facility, for paying property taxes on the property. In a
15 cooperative or a life care facility where a homestead exemption
16 has been granted, the cooperative association or the management
17 firm of the cooperative or facility shall credit the savings
18 resulting from that exemption only to the apportioned tax
19 liability of the owner or resident who qualified for the
20 exemption. Any person who willfully refuses to so credit the
21 savings shall be guilty of a Class B misdemeanor. Under this
22 Section and Sections 15-175 and 15-176, "life care facility"
23 means a facility as defined in Section 2 of the Life Care
24 Facilities Act, with which the applicant for the homestead
25 exemption has a life care contract as defined in that Act.

26 When a homestead exemption has been granted under this
27 Section and the person qualifying subsequently becomes a
28 resident of a facility licensed under the Nursing Home Care
29 Act, the exemption shall continue so long as the residence
30 continues to be occupied by the qualifying person's spouse if
31 the spouse is 65 years of age or older, or if the residence
32 remains unoccupied but is still owned by the person qualified
33 for the homestead exemption.

34 A person who will be 65 years of age during the current
35 assessment year shall be eligible to apply for the homestead
36 exemption during that assessment year. Application shall be

1 made during the application period in effect for the county of
2 his residence.

3 Beginning with assessment year 2003, for taxes payable in
4 2004, property that is first occupied as a residence after
5 January 1 of any assessment year by a person who is eligible
6 for the senior citizens homestead exemption under this Section
7 must be granted a pro-rata exemption for the assessment year.
8 The amount of the pro-rata exemption is the exemption allowed
9 in the county under this Section divided by 365 and multiplied
10 by the number of days during the assessment year the property
11 is occupied as a residence by a person eligible for the
12 exemption under this Section. The chief county assessment
13 officer must adopt reasonable procedures to establish
14 eligibility for this pro-rata exemption.

15 The assessor or chief county assessment officer may
16 determine the eligibility of a life care facility to receive
17 the benefits provided by this Section, by affidavit,
18 application, visual inspection, questionnaire or other
19 reasonable methods in order to insure that the tax savings
20 resulting from the exemption are credited by the management
21 firm to the apportioned tax liability of each qualifying
22 resident. The assessor may request reasonable proof that the
23 management firm has so credited the exemption.

24 The chief county assessment officer of each county with
25 less than 3,000,000 inhabitants shall provide to each person
26 allowed a homestead exemption under this Section a form to
27 designate any other person to receive a duplicate of any notice
28 of delinquency in the payment of taxes assessed and levied
29 under this Code on the property of the person receiving the
30 exemption. The duplicate notice shall be in addition to the
31 notice required to be provided to the person receiving the
32 exemption, and shall be given in the manner required by this
33 Code. The person filing the request for the duplicate notice
34 shall pay a fee of \$5 to cover administrative costs to the
35 supervisor of assessments, who shall then file the executed
36 designation with the county collector. Notwithstanding any

1 other provision of this Code to the contrary, the filing of
2 such an executed designation requires the county collector to
3 provide duplicate notices as indicated by the designation. A
4 designation may be rescinded by the person who executed such
5 designation at any time, in the manner and form required by the
6 chief county assessment officer.

7 The assessor or chief county assessment officer may
8 determine the eligibility of residential property to receive
9 the homestead exemption provided by this Section by
10 application, visual inspection, questionnaire or other
11 reasonable methods. The determination shall be made in
12 accordance with guidelines established by the Department.

13 In counties with less than 3,000,000 inhabitants, the
14 county board may by resolution provide that if a person has
15 been granted a homestead exemption under this Section, the
16 person qualifying need not reapply for the exemption.

17 In counties with less than 3,000,000 inhabitants, if the
18 assessor or chief county assessment officer requires annual
19 application for verification of eligibility for an exemption
20 once granted under this Section, the application shall be
21 mailed to the taxpayer.

22 The assessor or chief county assessment officer shall
23 notify each person who qualifies for an exemption under this
24 Section that the person may also qualify for deferral of real
25 estate taxes under the Senior Citizens Real Estate Tax Deferral
26 Act. The notice shall set forth the qualifications needed for
27 deferral of real estate taxes, the address and telephone number
28 of county collector, and a statement that applications for
29 deferral of real estate taxes may be obtained from the county
30 collector.

31 Notwithstanding Sections 6 and 8 of the State Mandates Act,
32 no reimbursement by the State is required for the
33 implementation of any mandate created by this Section.

34 (Source: P.A. 92-196, eff. 1-1-02; 93-511, eff. 8-11-03;
35 93-715, eff. 7-12-04.)

1 (35 ILCS 200/15-175)

2 Sec. 15-175. General homestead exemption. Except as
3 provided in Section 15-176, homestead property is entitled to
4 an annual homestead exemption limited, except as described here
5 with relation to cooperatives, to a reduction in the equalized
6 assessed value of homestead property equal to the increase in
7 equalized assessed value for the current assessment year above
8 the equalized assessed value of the property for 1977, up to
9 the maximum reduction set forth below. If however, the 1977
10 equalized assessed value upon which taxes were paid is
11 subsequently determined by local assessing officials, the
12 Property Tax Appeal Board, or a court to have been excessive,
13 the equalized assessed value which should have been placed on
14 the property for 1977 shall be used to determine the amount of
15 the exemption.

16 Except as provided in Section 15-176, the maximum reduction
17 before taxable year 2004 shall be \$4,500 in counties with
18 3,000,000 or more inhabitants and \$3,500 in all other counties.
19 Except as provided in Section 15-176, for taxable year ~~years~~
20 2004 ~~and thereafter~~, the maximum reduction shall be \$5,000 in
21 all counties. Except as provided in Section 15-176, for taxable
22 years 2005 and thereafter, the maximum reduction, in all
23 counties, shall be the amount of the maximum reduction of the
24 prior taxable year increased in an amount equal to the annual
25 rate of increase of the Consumer Price Index for All Urban
26 Consumers for all items, published by the United States Bureau
27 of Labor Statistics for the previous calendar year. If a county
28 has elected to subject itself to the provisions of Section
29 15-176 as provided in subsection (k) of that Section, then, for
30 the first taxable year only after the provisions of Section
31 15-176 no longer apply, for owners (i) who have not been
32 granted a senior citizens assessment freeze homestead
33 exemption under Section 15-172 for the taxable year and (ii)
34 whose qualified property has an assessed valuation that has
35 increased by more than 20% over the previous assessed valuation
36 of the property, there shall be an additional exemption of

1 \$5,000 for owners with a household income of \$30,000 or less.
2 For purposes of this paragraph, "household income" has the
3 meaning set forth in this Section 15-175.

4 In counties with fewer than 3,000,000 inhabitants, if,
5 based on the most recent assessment, the equalized assessed
6 value of the homestead property for the current assessment year
7 is greater than the equalized assessed value of the property
8 for 1977, the owner of the property shall automatically receive
9 the exemption granted under this Section in an amount equal to
10 the increase over the 1977 assessment up to the maximum
11 reduction set forth in this Section.

12 If in any assessment year beginning with the 2000
13 assessment year, homestead property has a pro-rata valuation
14 under Section 9-180 resulting in an increase in the assessed
15 valuation, a reduction in equalized assessed valuation equal to
16 the increase in equalized assessed value of the property for
17 the year of the pro-rata valuation above the equalized assessed
18 value of the property for 1977 shall be applied to the property
19 on a proportionate basis for the period the property qualified
20 as homestead property during the assessment year. The maximum
21 proportionate homestead exemption shall not exceed the maximum
22 homestead exemption allowed in the county under this Section
23 divided by 365 and multiplied by the number of days the
24 property qualified as homestead property.

25 "Homestead property" under this Section includes
26 residential property that is occupied by its owner or owners as
27 his or their principal dwelling place, or that is a leasehold
28 interest on which a single family residence is situated, which
29 is occupied as a residence by a person who has an ownership
30 interest therein, legal or equitable or as a lessee, and on
31 which the person is liable for the payment of property taxes.
32 For land improved with an apartment building owned and operated
33 as a cooperative or a building which is a life care facility as
34 defined in Section 15-170 and considered to be a cooperative
35 under Section 15-170, the maximum reduction from the equalized
36 assessed value shall be limited to the increase in the value

1 above the equalized assessed value of the property for 1977, up
2 to the maximum reduction set forth above, multiplied by the
3 number of apartments or units occupied by a person or persons
4 who is liable, by contract with the owner or owners of record,
5 for paying property taxes on the property and is an owner of
6 record of a legal or equitable interest in the cooperative
7 apartment building, other than a leasehold interest. For
8 purposes of this Section, the term "life care facility" has the
9 meaning stated in Section 15-170.

10 "Household", as used in this Section, means the owner, the
11 spouse of the owner, and all persons using the residence of the
12 owner as their principal place of residence.

13 "Household income", as used in this Section, means the
14 combined income of the members of a household for the calendar
15 year preceding the taxable year.

16 "Income", as used in this Section, has the same meaning as
17 provided in Section 3.07 of the Senior Citizens and Disabled
18 Persons Property Tax Relief and Pharmaceutical Assistance Act,
19 except that "income" does not include veteran's benefits.

20 In a cooperative where a homestead exemption has been
21 granted, the cooperative association or its management firm
22 shall credit the savings resulting from that exemption only to
23 the apportioned tax liability of the owner who qualified for
24 the exemption. Any person who willfully refuses to so credit
25 the savings shall be guilty of a Class B misdemeanor.

26 Where married persons maintain and reside in separate
27 residences qualifying as homestead property, each residence
28 shall receive 50% of the total reduction in equalized assessed
29 valuation provided by this Section.

30 In all counties, the assessor or chief county assessment
31 officer may determine the eligibility of residential property
32 to receive the homestead exemption and the amount of the
33 exemption by application, visual inspection, questionnaire or
34 other reasonable methods. The determination shall be made in
35 accordance with guidelines established by the Department,
36 provided that the taxpayer applying for an additional general

1 exemption under this Section shall submit to the chief county
2 assessment officer an application with an affidavit of the
3 applicant's total household income, age, marital status (and,
4 if married, the name and address of the applicant's spouse, if
5 known), and principal dwelling place of members of the
6 household on January 1 of the taxable year. The Department
7 shall issue guidelines establishing a method for verifying the
8 accuracy of the affidavits filed by applicants under this
9 paragraph. The applications shall be clearly marked as
10 applications for the Additional General Homestead Exemption.

11 In counties with fewer than 3,000,000 inhabitants, in the
12 event of a sale of homestead property the homestead exemption
13 shall remain in effect for the remainder of the assessment year
14 of the sale. The assessor or chief county assessment officer
15 may require the new owner of the property to apply for the
16 homestead exemption for the following assessment year.

17 Notwithstanding Sections 6 and 8 of the State Mandates Act,
18 no reimbursement by the State is required for the
19 implementation of any mandate created by this Section.

20 (Source: P.A. 93-715, eff. 7-12-04.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.